



BILLING CODE: 5001-03

DEPARTMENT OF DEFENSE

Department of the Army

Updated TR-12 Fuel Related Rate Adjustment Policy

AGENCY: Department of the Army, DoD.

ACTION: Notice.

SUMMARY: The Military Surface Deployment and Distribution Command (SDDC) has published an updated TR-12 Fuel Related Rate Adjustment Policy. This version of Policy No. TR-12 supersedes all previous versions of TR-12, except to the extent that a previous version is explicitly referenced as the basis for payment in an agreement with SDDC. This policy reflects the new Defense Freight Transportation services (DFTS) contract. A summary of changes is listed under **SUPPLEMENTARY INFORMATION**.

DATES: The mileage-based formula and the increment change will take effect on 10 June 2019 for FAK and TPS. No changes made to PSSFC FRA effective dates. This policy is in effect until superseded or withdrawn in writing.

FOR FURTHER INFORMATION CONTACT: Kevin Snider, (618) 220-7129.

SUPPLEMENTARY INFORMATION: 1. The FRA policy applies to commercial Transportation Service Provider (TSP) freight movements within the United States. This policy provides the transportation industry, including individual TSP(s), economic adjustment and reasonable relief for unanticipated increases in diesel fuel prices. TSP(s) are urged to consider anticipated variation in fuel prices when submitting or supplementing rates during rate filing and/or bid submission periods.

2. FRA for freight-all-kinds (FAK) and transportation protective service (TPS) truckload (TL) shipments will be calculated using a mileage-based formula. The current percentage of line-haul formula will remain in effect for less-than-truckload (LTL) shipments. The percentage of line-haul increment factor will increase from \$.10 to \$.13. The baseline will remain at \$2.50.

3. The above changes will not apply to the Protective Security Service Freight Contract (PSSFC) for Defense Distribution Center, Warner Robins, GA (DDWG), or Defense Freight Transportation Services (DFTS). Shipments for PSSFC DDWG will be calculated using a percentage of line haul formula with \$.10 increments. PSSFC DDWG and DFTS will remain at \$2.50.

4. SDDC will not pay FRA on Negotiated shipments. Bids submitted on or after 1 June 2013 must be submitted as an all-inclusive rate. SDDC will not pay FRA on "Spot Bid" or One Time Only (OTO) personal property movements, regardless of mode. SDDC will not pay FRA for rail, barge, pipeline, or air shipment. SDDC will not pay FRA on commercial security escort vehicles (CSEV).

5. Written provision will be made in SDDC regulations, Tariff, and solicited tender agreements for FRAs. At the sole discretion of the appropriate Contracting Officer, this policy may be applied to Federal Acquisitions Regulation (FAR) contracts. SDDC has no obligation whatsoever to apply this policy to FAR contracts other than where the appropriate Contracting Officer determines that it shall apply.

Miscellaneous: This announcement can be accessed via the SDDC Web site at:

<http://www.sddc.army.mil>.

Jeff Olenick,
Director,
Movement Support.

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